ABC WORLD NEWS TONIGHT **FILE ON**

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Reporting on Pelton Spy Trial

PETER JENNINGS: A spy trial in Baltimore continues to attract unusual attention, even for a case of espionage. The man on trial, Ronald Pelton, spent 14 years working as a communications specialist for the National Security Agency. He got in trouble when he allegedly sold some of this country's secret information to the Soviet Union. Some of the reporters covering the Pelton case are being warned that they are in danger of breaking the law, depending on what they report from the trial. So we have reports on the trial and the reporting.

First, the trial. Here's ABC's Bill Greenwood.

BILL GREENWOOD: Defense attorney Fred Warren Bennett was under new orders from the court to avoid public comment as he arrived for this third day of testimony. Bennett has been given security clearance by the government allowing him access to the top secret material that suspect Ronald Pelton is accused of selling. But the lawyer must now confine his comments to the courtroom.

FRED BENNETT: For the rest of the trial until the case is over, I'm just not going to be discussing what occurred.

GREENWOOD: The defense did try to get more secrets on the public record during today's questioning of FBI agent David Faulkner, hoping to prove that what Pelton allegedly gave the Soviets was not harmful to the United States. Faulkner said he gave the Soviets extensive details about a National Security Agency project to intercept coded messages from the highest level of the Kremlin. I court it's referred to only as Project A.

Witnesses in the trial have described Project A as a top secret set of equipment placed off the Soviet coast, a signals detection unit that collected information off a particular type of Soviet communications link. Prosecutor John Douglas has told the jury Project A reveals Soviet troop movements, maneuvers, and military communications; and that by revealing it to Russians, Pelton allowed the Russians to take countermeasures and change their way of doing things.

But defense attorney Bennett today argued that Moscow may have already known about Project A because of an episode that occurred a year or two before the defendant allegedly approached the Soviets.

Bennett was about to question FBI agent Faulkner about that secret spy episode, but the prosecution objected, saying it was too classified to discuss in court. The jury was then escorted from the room, and attorneys approached Judge Herbert Murray, who ruled in favor of the government.

And that's focused attention on a growing controversy in this trial: Why the secrets Pelton is accused to selling to Russia cannot be discussed with an American jury and the American public?

JENNINGS: Well, here's the reason. There is on the books in this country a 1950 law which says: Whoever communicates, furnishes, transmits, or publishes any classified information shall be fined not more than $10,000 or imprisoned for not more than 10 years, or both.

And last night the Reagan Administration, particularly the CIA Director, William Casey, threatened to use that law against news organizations which even speculate on the

Continued

2

kind of information Pelton may have given the Soviets.

The Administration and the news media are locked in a battle over freedom of the press.

Here's ABC's John Martin.

JOHN MARTIN: At the trial in Baltimore today, some reporters said the government's statement was an attempt to tell them what to report.

STEPHEN ENGELBERG: Well, I think they're trying to protect the national security interest and they're trying to remind us of something that we're all well aware of, which is that you cover these issues with care.

KAREN WARMKESSEL: Well, I definitely think it's a form of intimidation.

BILL GERTZ: I think it has the opposite effect. It makes you want to dig for more facts and more information about the case.

MARTIN: But last night that is what CIA Director William Casey and NSA Director William Odom cautioned against. They warned against reporting beyond courtroom testimony. "Such speculations and additonal facts are not authorized disclosures," they said, "and may cause substantial harm to the national security."

At issue are the specifics of Project A, that American submarine eavesdropping operation, details kept obscure in court. The CIA apparently believes some news organizations have obtained damaging details that will not be revealed in court.

Last night's joint statement alarmed news organizations. The Washington Post has already been under pressure from Mr. Casey, who visited its editors, and from President Reagan, who telephoned its publisher. Mr. Casey has called for prosecu-

tion of NBC News and correspondent James Polk, who reported that the name of the operation was Ivy Bells and that it placed devices in Soviet harbors.

Today correspondent Polk had no comment at the trial, but NBC News President Lawrence Grossman did.

LAWRENCE GROSSMAN: We plan to report the trial, to cover the news. We are always, we hope, sensitive to security interests. But what is on the record should be reported. And analysis, speculation, discussion about what is happening will continue to be reported.

MARTIN: And in New York, ABC News President Roone Arledge said he was troubled by the goverment's request.

ROONE ARLEDGE: To tell people not to speculate or not to pursue information that they knowingly put in the public domain themselves strikes at the heart of the whole concept of a free press in this nation. It's similar to telling us what to think.

MARTIN: Late today the White House insisted it backs the Casey statement.

EDWARD DJEREJIAN: Intelligence sources and methods must be protected. That means, in simple language, that information has to remain secret, or else you can't have a functioning intelligence organization.

MARTIN: So the journalistic community is sifting the signals tonight, listening to what it feels are threats from a government that insists it only wants to protect the country from harm.